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INTELLIGENCE BRIEF

POOR AUTUMN HARVEST IN COMMUNIST CHINA
REDUCES DOMESTIC GRAIN SUPPLIES

Handle Via Indicated Controls

TALENT -KEYHOLE-COMINT

DIRECTORATE OF INTELLIGENCE

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HANDLE VIA TALENT-KEYHOLE-COMINT CONTROL SYSTEMS JOINTLY

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POOR AUTUMN HARVEST IN COMMUNIST CHINA
REDUCES DOMESTIC GRAIN SUPPLIES

There are clear signs that the grain harvest in Communist China once again has failed to keep pace with the growth of population and for the second successive year is below the 180 million metric tons estimated to have been harvested in 1962. Production of about 170 million tons of grain in 1964 actually represents a significant decline because of the growing population. Including imports of 6.5 million tons, availability of grain per capita has declined by roughly 15 percent from the level of 1957. These record imports, largely a consequence of the lackluster agricultural performance, have been made at a cost of more than \$425 million. In contrast, imports of machinery and equipment in 1964 were only about \$150 million. The depressing impact of food imports on Peiping's available foreign exchange and therefore on China's industrial development is more than a short-term difficulty. The failure of the Chinese leaders to accord agriculture a sufficient priority to raise production of grain to more adequate levels not only compounds the Malthusian problem but also impedes any significant modernization and growth of industry.

1. Excessive Rainfall Reduces Output

Although production of rice increased in 1964, it is believed that these gains were more than offset by a slight reduction in production of wheat and by a significant decline in the output of miscellaneous grains (corn, barley, kaoliang, and millet), which normally account for almost 30 percent of China's total production of grain. Production of these autumn-harvested miscellaneous grains probably was the lowest in recent years. The acreage of these grains was reduced sharply in most areas by prolonged rainfall throughout the normal planting season. Heavy rainfall over most of the important producing areas from late August through 20 September and throughout most of October reportedly delayed harvesting and caused very serious losses. In many areas the grain harvested was too wet for storage. The excessive rainfall in these areas also delayed and in some areas prevented the planting of crops sown in the fall, such as wheat, and may seriously affect the outcome of the spring harvest in 1965.

The area most affected by flooding and waterlogging was North China. KEYHOLE photography on [REDACTED] delineated an

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area of flooded and waterlogged land extending from Peiping in Hopeh Province to Tsinan in Shantung Province and from the Tai-Hang mountains to the coast (36° 30'N to 40° 00'N and 114° 30'E to about 117° 30'E).

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2. Short Supply in Parts of North China

A tight food situation is likely to occur in some parts of the country during the winter and spring of 1964/65, particularly in those parts of North China that were most affected by abnormally heavy rainfall. In South China, on the other hand, the favorable late harvest should provide ample supplies of food to maintain consumption during the winter and spring at about the same favorable level attained during the identical period in 1963/64.

Certain government measures for mitigating food shortages in the affected areas have been invoked. These measures include increased procurement of grain from areas with good harvests and continued large-scale imports of grain from the West. Contracts already have been negotiated for the delivery of 1.8 million tons of grain in the first half of 1965, with negotiations reportedly continuing for delivery of additional large quantities.

3. Gains in Meat, Fruit, and Vegetables

Although food consumption is below the level of 1957, which was considered adequate for Chinese requirements, it is well above that of 1960/61, when malnutrition was widespread. For the most part, this improvement since 1960/61 is attributed to large-scale imports of grain from the West and to a significant increase in production of subsidiary foods (pork, poultry, fruits, and vegetables) obtained from the private plots of the peasants. Although there will be seasonal variations in the availability of vegetables, fruits, and meat, these foods will continue to provide a valuable supplement to the diet if there is no significant retreat from the regime's permissive attitude toward private plots and free markets. There is no evidence at this time that the regime intends any marked shift back to the much more restrictive commune system.

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